

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1198

Introduced by Assembly Member Dababneh

February 27, 2015

An act to add the headings of Article 1 (commencing with Section 17170) and Article 2 (commencing with Section 17172) to, and to add Article 3 (commencing with Section 17200) to, Chapter 18 of Part 10 of Division 1 of Title 1 of the Education Code, relating to school facilities; facilities, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1198, as amended, Dababneh. School facilities: California School Finance Authority: *California Credit Enhancement Program.*

Existing law, the California School Finance Authority Act, establishes the California School Finance Authority and authorizes it to administer the continuously appropriated California School Finance Authority Fund for the purpose of, among other things, assisting school districts and community college districts by providing financing for working capital and capital improvements. Existing law authorizes the authority to divide the fund into separate accounts.

This bill would create within the authority the California Credit Enhancement Program to provide lower cost alternatives for public school facilities financing through a leveraged public-private partnership program. The bill would authorize the authority to leverage its funding for the California Credit Enhancement Program, as specified. The bill would create the California Credit Enhancement Program Advisory Board to be appointed by the authority and to be made up of specified subject matter experts. The bill would create the California

Credit Enhancement Account within the California School Finance Authority Fund, as specified. By authorizing money in the California School Finance Authority Fund to be used for a new purpose, the bill would make an appropriation.

~~Existing law authorizes the California School Finance Authority to, among other things, determine the location and character of any project to be financed or refinanced under the California School Finance Authority Act.~~

~~This bill would state the intent of the Legislature to enact legislation that would establish the Credit Enhancement Program within the California School Finance Authority for purposes of providing lower cost alternatives for school facility financing through a leveraged public-private partnership program.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The heading of Article 1 (commencing with*
2 *Section 17170) is added to Chapter 18 of Part 10 of Division 1 of*
3 *Title 1 of the Education Code, to read:*

4
5 *Article 1. General Provisions*
6

7 *SEC. 2. The heading of Article 2 (commencing with Section*
8 *17172) is added to Chapter 18 of Part 10 of Division 1 of Title 1*
9 *of the Education Code, to read:*

10
11 *Article 2. California School Finance Authority*
12

13 *SEC. 3. Article 3 (commencing with Section 17200) is added*
14 *to Chapter 18 of Part 10 of Division 1 of Title 1 of the Education*
15 *Code, to read:*

16
17 *Article 3. California Credit Enhancement Program*
18

19 *17200. There is hereby created the California Credit*
20 *Enhancement Program within the authority to provide lower cost*
21 *alternatives for public school facilities financing through a*
22 *leveraged public-private partnership program.*

1 17201. Notwithstanding Section 17182, in addition to the
2 powers authorized by this chapter, the authority may leverage its
3 funding for the California Credit Enhancement Program in such
4 a way that the amount of credit insurance provided pursuant to
5 the California Credit Enhancement Program exceeds the amount
6 of funds on deposit in the California Credit Enhancement Account
7 within the California School Finance Authority Fund, which
8 account is created pursuant to Section 17203.

9 17202. There is hereby created the California Credit
10 Enhancement Program Advisory Board, which shall be appointed
11 by the authority and shall be made up of subject matter experts,
12 including, but not limited to, in the fields of municipal bond
13 insurance, municipal finance, and charter school law to advise
14 the authority on the creation and administration of the California
15 Credit Enhancement Program.

16 17203. There is hereby created the California Credit
17 Enhancement Account within the California School Finance
18 Authority Fund, established pursuant to Section 17181. The
19 authority shall deposit funds for the California Credit Enhancement
20 Program in the California Credit Enhancement Account, and, in
21 addition to the funds authorized to be collected pursuant to Section
22 17181, may deposit fees collected in accordance with this chapter
23 in the California Credit Enhancement Account. The authority may
24 designate and hold separately one or more subaccounts within the
25 California Credit Enhancement Account.

26 ~~SECTION 1. It is the intent of the Legislature to enact~~
27 ~~legislation that would establish the Credit Enhancement Program~~
28 ~~within the California School Finance Authority for purposes of~~
29 ~~providing lower cost alternatives for school facility financing~~
30 ~~through a leveraged public-private partnership program.~~